

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6404**  
**BILL NUMBER:** HB 1063

**NOTE PREPARED:** Dec 3, 2007  
**BILL AMENDED:**

**SUBJECT:** Lobbyists.

**FIRST AUTHOR:** Rep. Day  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State & local

**Summary of Legislation:** *Lobbyist Gifts:* This bill provides that a member of the General Assembly, a candidate for a legislative office, an officer of the General Assembly, an employee of the General Assembly, or a member of the immediate family of any of these persons may not accept a gift from a lobbyist. The bill also provides that a lobbyist may not give a gift to any of these persons. The bill also provides that violations of any of the prohibitions on giving or accepting gifts is a Class B misdemeanor.

*Legislators as Lobbyists:* This bill provides that an individual who has served as a member of the General Assembly may not register as a legislative branch lobbyist during the period that ends two years after the date that the individual ceases to be a member of the General Assembly. The bill provides that the prohibition applies only to an individual who ceases to be a member of the General Assembly after June 30, 2008.

**Effective Date:** July 1, 2008.

**Explanation of State Expenditures:** *Lobbyist Gifts:* This bill prohibits: (1) a candidate for a legislative office, an officer of the General Assembly, an employee of the General Assembly, or a member of the immediate family of any of these persons from accepting gifts from lobbyists; and (2) lobbyists giving gifts to any of these people. These provisions could increase administrative expenditures of the Lobby Registration Commission (LRC) by requiring the LRC to amend gift reporting forms and procedures for both lobbyists and legislators. It is estimated the provisions of this bill could be implemented through the use of existing staff and resources. The LRC is responsible for creating the forms for reporting gifts to legislators. The LRC is also required to prepare, publish, index, and make these reports available for public inspection. According to the November 19, 2007, state staffing table, the LRC had no vacant positions. In FY 2007, the LRC reverted \$174 to the state General Fund.

**Explanation of State Revenues:** *Lobbyist Gifts:* The bill provides that violating the gift-giving prohibitions is considered a Class B misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class B misdemeanor is \$1,000. However, any additional revenue would likely be small.

**Explanation of Local Expenditures:** *Lobbyist Gifts:* A Class B misdemeanor is punishable by up to 180 days in jail.

**Explanation of Local Revenues:** *Lobbyist Gifts:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

**State Agencies Affected:** Lobby Registration Commission.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:**

**Fiscal Analyst:** Adam Brown, 317-232-9854.